

I wanted to inform you that the House Ways and Means Committee, the committee on which I serve, took a much-needed step in promoting job creation today. The Committee unanimously passed my legislation, H.R. 674, to repeal something called the 3% withholding provision. The bill is expected to be voted on by the full House of Representative in the coming weeks. The 3% withholding provision, an ill-conceived provision that was placed into a larger bill in 2005, requires government agencies at all levels (federal, state, and local) to withhold 3 percent of their payments to businesses for goods and services. Small businesses have expressed strong concern that the provision could wipe out their already slim profit margins.

This bill will foster a pro-growth environment and create jobs by allowing our small businesses to keep more of their own money, rather than send it back to Washington. Fortunately there is broad bipartisan support for my legislation. It has 269 House cosponsors as well as a strong coalition of business groups – including the Chamber of Commerce, National Association of Manufacturers, and National Federation of Independent Businesses – behind it. I will continue working to ensure that Congress repeals this harmful provision and we begin putting Americans back to work. I spoke during the committee meeting in support of my bill. You can view the full text of my remarks below:

"Thank you, Chairman Camp. As someone who strongly opposed the 3% withholding tax ever since it was signed into law five years ago, I'm delighted that we are taking action to repeal it once and for all. I especially want to thank Mr. Blumenauer for his leadership on this issue, as well as our 26 other bipartisan cosponsors who serve on this Committee.

"Today we have the opportunity to do what Americans have called upon Congress to do: work together in a bipartisan way to encourage job creation. The 3 percent withholding tax stands in the way of jobs because it threatens to constrict the cash flow of thousands of small businesses that provide goods and services to federal, state, and local government agencies. Permanently repealing this tax is an important step toward giving these businesses the assurance that it's safe to invest, grow, and hire more workers.

"It's important to emphasize that while H.R. 674 is scored as reducing revenue by \$11 billion, it also eliminates the far greater cost of implementing this looming tax, a cost that's been estimated at \$17 billion for the Department of Defense alone. Repeal is fiscally responsible.

"We're looking for actions Congress can take to create jobs right now. This is a win-win. I urge all members of the Committee to support this legislation."